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IMPROVING THE MANAGEMENT PROCESSES OF AN ENDOWMENT FUND: THE FINANCIAL ASPECT

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Abstract. *A scientific approach to the organization of the formation and use of target capital, which comprehensively combines the financial and functional aspects of endowment fund management, is substantiated. This creates opportunities for justifying and evaluating the effectiveness of financial decisions and the tools for their implementation across the stages of endowment fund operation.*

Keywords: *endowment fund, non-profit organizations, management, fundraising, financing, target capital.*

The aim of the article is to substantiate a scientific approach to the organization of the formation and use of target capital, which comprehensively combines the financial and functional aspects of endowment fund management. The functioning of an endowment fund is presented as a dynamic set of interconnected management processes that occur within a series of sequential and interrelated stages: conceptual, resource, investment, and monitoring-evaluation.

The developed approach allows to encompass all the processes involved in the functioning of the endowment fund, starting from the moment the idea of its formation arises and ending with the use of the target capital and evaluation of the fund's performance. This approach makes it possible to fully consider the existing factors influencing the activities of endowment funds, develop rational decisions for capital management, and select tools for their implementation in terms of specified stages and their components.

The structure of the financial rules and investment mandate of the endowment fund has been substantiated as key documents that serve as the foundational basis for organizing financial planning activities, forming the fund's resources, using them for their intended purposes, and evaluating the level of achievement of the fund's key performance indicators.

The directions for improving fundraising in the activities of endowment funds have been defined and substantiated: increasing the number of potential donors by constantly attracting new ones; targeting potential donors and offering individualized opportunities for each to improve the donation process; studying the interests and motivations of potential donors; developing a list of attractive motivations and rewards for donors; consistently involving donors in

projects and the life of the organization; developing an effective communication policy for interacting with stakeholders, maintaining regular communication with donors, and ensuring feedback; and evaluating the quality of the fundraiser's work. The advantages of various communication tools with donors (benefactors) and the expected effects of their use are highlighted.

Criteria for evaluating the effectiveness of target capital management, which characterize trends in achieving the set goals considering the directions of the endowment fund's activities, have been developed. A system of generalized indicators for assessing the effectiveness of target capital management has been proposed, enabling the evaluation of the endowment fund's operational performance.

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